



POLICY

THE UNDER SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

25 OCT 1984

In reply refer to:
I-84/16442

MEMORANDUM FOR THE DIRECTOR, DEFENSE INTELLIGENCE AGENCY

SUBJECT: Security Affairs Support Association (SASA) Survey
of Industrial Security Clearance Procedures

Reference is made to your memorandum of 12 October 1984, which solicited comments concerning a proposed SASA effort to "...identify and rectify, if possible, problem areas/inefficiencies in the Industrial Personnel Security Clearance Program."

It has been my impression that for the last several years, at least, the Department of Defense (DoD) and the other two principal federal agencies engaging in classified contracting with U.S. industry have been made aware of virtually every problem or possible inefficiency, perceived or real, concerning personnel security as well as the other facets of the industrial security programs. Complaints, suggestions and recommendations are reported in a variety of ways, often in response to policy change proposals that we circulate among industrial associations for comment.

Members and representatives of the staffs of the Aerospace Industries Association of America, Inc. (AIA) and the National Security Industrial Association (NSIA), the two major industrial associations comprised of corporate memberships, meet with representatives of my office as well as with the Director, Defense Investigative Service, and his staff, at least twice each year in formal session, and more frequently on an informal basis.

Additionally, the American Society for Industrial Security (ASIS) joins with the AIA and the NSIA to form the Council of Defense and Space Industrial Associations (CODSIA), an organization to which we provide our industrial security policy change proposals for formal comment, and which is represented to the National Industrial Security Advisory Committee (NISAC), which I chartered in 1983 under my authority as Chairman, Interagency Group/Counter-measures (IG/CM). The NISAC, chaired by the Director, Security Plans and Programs, ODUSD(P), also the official having responsibility for formulation of industrial security policy changes,

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deals with just such problems as are outlined in the proposed SASA letter to industrial firms. All of the 17 User Agencies of the Defense Industrial Security Program (DISP) are members of the NISAC, and the Central Intelligence Agency and the Department of Energy are represented when they have business before the Committee.

I might mention that the Industrial Working Group, an organization of contractors representing the major firms doing business involving contracts requiring access to Sensitive Compartmented Information (SCI), meets regularly with representatives of the DoD as well as the other federal agencies doing such contracting.

By 31 October 1984, the so-called "Harper Committee", commissioned to examine implications of the espionage case involving Mr. James Durward Harper, Jr., and to analyze the effectiveness of the Defense Industrial Security Program in general, will report to me with recommendations for improvement concerning matters that are within the context of the proposed SASA effort. Further, the DoD Inspector General is in the midst of a thorough inspection of the Defense Investigative Service, the agency which administers the DISP. In both the "Harper Committee" study and the IG undertaking, many representatives of U.S. industry have been contacted and interviewed concerning problems or inefficiencies in the program.

Aside from all of the above, the General Accounting Office (GAO), the Defense Audit Service, and the Defense Contract Audit Agency, constantly monitor industrial security. Just as examples, I might call your attention to one GAO report entitled, "Further Improvements Needed in DoD Oversight of Special Access (Carve-Out) Contracts" (GAO/GGD-83-43), and another, "Faster Processing of DoD Personnel Security Clearances Could Avoid Millions in Losses" (GGD-81-105).

It occurs to me that the SASA effort could have some legal ramifications as well. Contracts between U.S. firms and the Government contain specific security provisions agreed to by both parties as conditions precedent to performance. The insertion of a volunteer intermediary third party into such a situation might not be legally proper.

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To summarize, it would seem to me that U.S. industry has ample means by which to make its views, complaints, and recommendations known to the Government and from personal experience, I can assure you that representatives of many firms and associations have not been bashful in offering comments. In addition, the U.S. Government pursues the acquisition of information concerning all security programs, not only those affecting industry, with the objective of improving the efficiency of the programs and the protection of national security information.

Mr. Maynard C. Anderson, Director, Security Plans and Programs, ODUSD(P), (695-0122) may be contacted for any further information concerning this matter. I trust that my comments will be of some assistance to you.

Rich G. Stilwell
Richard G. Stilwell
General, USA (Ret.)
Deputy

Jim —
Prepared to brief you on the
actions/initiatives taken in the 3 years
since I've had responsibility for personnel
security clearances & DSP. I really
believe we know where the glitches are.

Doc



DEFENSE INTELLIGENCE AGENCY
WASHINGTON, D.C. 20301

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U-6135/OS-3

12 OCT 1984

MEMORANDUM FOR THE DEPUTY UNDER SECRETARY OF DEFENSE FOR POLICY

SUBJECT: Security Affairs Support Association (SASA) Survey of
Industrial Security Clearance Procedures

1. As members of Security Affairs Support Association, Admiral Burkhalter and I have offered to assist a SASA directed effort to identify and rectify, if possible, problem areas/inefficiencies in the Industrial Personnel Security Clearance program. Our goal is to achieve a closer harmony between Defense Industry and those government security authorities responsible for administering departmental or national clearance programs. You are no doubt aware of "complaints" in recent years to the effect that critical DoD projects suffer severely from delays in obtaining clearability for contractor employees.

2. The enclosed draft letter has been prepared by SASA as a vehicle to solicit industry perceptions of the "problem" areas in the clearance process. It is noted that industry officials may have, heretofore, been reluctant to surface clearance difficulties with the appropriate DoD decisionmakers. During the 11 September 1984 SASA meeting, I suggested that, as long as we are taking the pulse of the industrial sector, we should also involve those DoD clearance program managers under whose jurisdiction such issues fall. We do not wish to unwittingly engender a "defensive posture" on the part of government security officials vis-a-vis any industry complaints which may develop.

3. In view of your position as the senior DoD official for investigative and clearance policy, I would appreciate your comments regarding the SASA effort. I would also like to solicit the assistance of the appropriate program directors in your office to assess the responses from industry.

1 Enclosure a/s

A handwritten signature in cursive script that reads "James A. Williams".
JAMES A. WILLIAMS
Lieutenant General, U. S. Army
Director

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